



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 21, 2014

Robert M. Robison
Graymont Western U.S. Inc.
3950 South 700 East, Suite 301
Salt Lake City, Utah 84107

Subject: Initial Review of Amended Reclamation Cost Calculations, Graymont Western U.S., Inc., Cricket Mountain Quarry, M/027/0006, Millard County, Utah

Dear Mr. Robison:

The Division has completed a review of the referenced reclamation cost calculations received March 18, 2014, and which were updated to 2014 costs. The attached comments will need to be addressed before the new bond amount will be approved.

The reclamation cost estimate is scheduled to be reviewed in May 2014; however, since Graymont intends to submit modifications to the current Notice of Intention and to the associated reclamation cost calculations sometime the summer of 2014, the Division will not require the existing letter of credit to be revised until that time, but prior to October 1, 2014. **Please submit revised calculations on the Division's reclamation cost estimation spreadsheets (or some other format acceptable to both the Bureau of Land Management and the Division) by August 1, 2014.**

Please contact Peter Brinton at 801-538-5258 or me at 801-538-5261 if you have questions in this regard. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:pnb:eb

Attachment: Review

cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)

P:\GROUPS\MINERALS\WP\M027-Millard\M0270006-CricketMtn\Final\REV-5981-04152014.docx

FIRST REVIEW OF RECLAMATION COST CALCULATIONS

Graymont Western U.S. Inc.
Cricket Mountain Quarries
M/027/0006
April 16, 2014

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	Omission	These reclamation cost calculations are for only a part of the total planned operation's disturbance area, and not the full reclamation surety for the entire planned operation. For examples of areas not included in this calculation, see pages 56 and 66 (Big Sage and Allsop quarry areas) and related maps. The Full and Partial Surety Cost table from past submittals was not provided in this submittal. Prior to disturbance of areas not covered by this partial reclamation surety, additional calculations and approved surety to cover increases in acreage are needed.	pnb	
2	General	Update tables indirectly affected by changes to cost calculation pages, such as Table 2-1.	pnb	

106.3 - Estimated acreages disturbed, reclaimed, annually/sequentially

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3	Page 6, Table 1-1	The Big Sage amendment (received in March 2009) was approved in January 2010. It is unclear whether the amendment for 40.8 acres referred to is the first Big Sage haul road amendment (March 2013), since the acreage approved for it is 35.9 acres. An additional two acres were added in November 2013 for topsoil piles. Addressing this comment isn't required for the bond to be correct.	pnb	

110.2 - Reclamation of roads, highwalls, slopes, impoundments, drainages, pits, piles, shafts, adits, etc

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4	Page 38	The Big Sage acreage varies from Table 4-1 and the text by about two acres. Correct accordingly. Recent amendments to add topsoil acres may not have been included.	pnb	

R647-4-113 - Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5	Page 46, Table	The escalation factor used is not up to date. Please use the current factor for 2014 of 0.019 (1.9%).	pnb	

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6	Page 47, Labor	The RS Means labor costs already include overhead and profit, Social Security, FICA, unemployment costs, and public liability, so your total labor costs are greater than needed. Remove the FICA, SIIS, and UIP columns from the wage rate determination table. See also laborer costs on page 83 and elsewhere.	pnb	
7	Page 47, Labor	The foreman rate listed is not that found in the 2014 RS Means labor rates. The 2014 Foreman Average number is \$74.05 (including overhead and profit, FICA, etc).	pnb	
8	Page 52	It is anticipated that the Flat Iron permit area's "New Overburden Pile" increase of 12.9 acres would increase the ripping and seeding, particularly since new growth media is being placed on new disturbance. It is unclear where other acreage changes originated. Correct as needed or explain changes.	pnb	
9	Page 56	The topsoil/revegetation acres are greater than the map acres, which would cost more than the approved disturbance would require. Correct or explain as needed.	pnb	
10	Page 75	The Allsop road regrade volumes calculated on page 76 were not incorporated into road cost calculations. Please update accordingly.	pnb	
11	Page 79	The Big Sage road calculations do not include additional growth media replacement for the 28 new acres. Also, the acreage increase on the calculations is 35.9 acres and 28 acres on Table 2-1. Explain or correct the calculations and tables as needed.	pnb	
12	Page 81	The calculations do not consider enough growth media to be placed on miscellaneous roads at a depth of six inches, as specified. Correct or explain.	pnb	
13	Page 83	For your information, monitoring and maintenance costs are not required for the state bond, but may be for BLM.	pnb	
14	Page 83	Clarify where the oil disposal facility is located. The bond assumes a distance of seven miles (a four-hour trip is listed), and it is unclear where an approved disposal site might be within seven miles of the quarries.	pnb	
15	Pages 83 & 85, Omission	The number of power poles included in miscellaneous costs for the Poison Mountain and Big Sage areas (23 and 3, respectively) do not represent the number of poles needed to bring power to the quarry areas from the plant (assumed). Increase the number of poles in this calculation to match current and projected conditions, or please explain otherwise.	pnb	
16	Page 88	Specify whether the lunchroom or equipment shed will have foundations that would need demolition, and if so, include demolition calculations.	pnb	